GOVERNMENT OF INDIA
MICRO,SMALL AND MEDIUM ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:1162
ANSWERED ON:25.07.2016
MDA Scheme
Ajmal Shri Sirajuddin

Will the Minister of MICRO,SMALL AND MEDIUM ENTERPRISES be pleased to state:

(a) the norms/criteria laid down by the Government for allotment under Market Development Assistance Scheme for the development of Khadi in the country;

(b) the details of funds allocated, sanctioned and utilised under the programme during each of the last three years and the current year, State/UT-wise;

(c) whether the Government has taken any initiative to enhance the income of the workers engaged in Khadi industry; and

(d) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF
MICRO, SMALL AND MEDIUM ENTEPRISES
(SHRI GIRIRAJ SINGH)

(a): Government has introduced with effect from 01.04.2010, a flexible, growth stimulating and artisan oriented Market Development Assistance (MDA) Scheme, in place of the erstwhile system of Rebate. Under MDA, financial assistance is provided to institutions @ 20% of the value of production of khadi and polyvastra, to be shared among artisans, producing institutions and selling institutions in the ratio 25:30:45. MDA provides institutions a flexibility to use the assistance for improving the outlets, products and production processes, besides giving incentive to customers, etc.

This scheme has been modified as Market Promotion Development Assistance (MPDA) scheme formulated as a unified scheme by merging different schemes/sub-schemes/ components of different Heads implemented in the 11th Plan, namely, Market Development Assistance, Publicity, Marketing and Market Promotion. A new component of Infrastructure namely setting up of Marketing Complexes /Khadi Plazas has been added to expand the marketing net worth of Khadi & VI products. Under the modified MPDA scheme financial assistance is distributed amongst Artisans (40%), Producing Institutions (20%) and Selling Institutions (40%), which will help the Artisans and Khadi Institutions thus resulting in the development of Khadi in the country.

(b): The State/UT-wise details of disbursement of MDA during each of the last three years and current year is given at Annexure-I.

(c)&(d): KVIC has taken the various steps to increase the wages of Khadi artisans i.e. spinners and weavers engaged in Khadi production.

KVIC has constituted the state Level Cost-chart Committee of the Khadi Institutions for all States and Committee recommend for fixation of cost of Khadi and enhancing of wages of Khadi artisans at state level.

Under MDA scheme 25% of assistance is earmarked for distribution among spinners and weavers as additional incentive to be paid through their bank /post office account.

KVIC launched a Group insurance scheme for Khadi artisans named Khadi Karigar Janshree Yojana (JBY) in collaboration with Life Insurance Corporation of India (LIC). In addition to life cover, the ward of artisans (maximum two children) studying in the classes from IX to XII and ITI are provided scholarship as an add-on facility under the scheme with no extra premium. The scheme provides coverage of artisans against death and disabilities caused naturally as well as accidentally.

KVIC launched the Workshed Scheme for Khadi Artisans to provide better work ambiance, more storing and working space for keeping raw material, implements and accessories, yarn, cloth etc. KVIC has recently introduced Solar Charkha to enhance the wages of spinners under Village Industries.